

CITY OF HUGOTON, KANSAS
Hugoton, Kansas

FINANCIAL STATEMENTS
For the year ended December 31, 2015

CITY OF HUGOTON, KANSAS

FINANCIAL STATEMENTS

For the year ended December 31, 2015

TABLE OF CONTENTS

	<u>Page Number</u>
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
<u>Statement 1</u>	
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	4
Notes to the Financial Statements	6

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget – Regulatory Basis	22
<u>Schedules of Receipts and Expenditures – Actual and Budget – Regulatory Basis</u>	
Schedule 2-1: General Fund	24
Schedule 2-2: Special City Streets and Highways Fund	27
Schedule 2-3: Special Parks and Recreation Fund	28
Schedule 2-4: Gas Royalty Fund	29
Schedule 2-5: Convention and Tourism Promotion Fund	30
Schedule 2-6: Bond and Interest Fund	31
Schedule 2-7: Electric System Fund	32
Schedule 2-8: Water System Fund	34
Schedule 2-9: Sanitation System Fund	36
Schedule 2-10: Sewer System Fund	37
Schedule 2-11: Animal Care Benevolence Fund	38
Schedule 2-12: Electric Distribution Upgrade Fund	39
Schedule 2-13: Golf Course Expansion Fund	40
Schedule 2-14: Shop With a Cop Fund	41
Schedule 2-15: Streetscape Improvement Fund	42
Schedule 2-16: Water Improvement Reserve Fund	43

CITY OF HUGOTON, KANSAS

FINANCIAL STATEMENTS

For the year ended December 31, 2015

TABLE OF CONTENTS

(Continued)

Page
Number

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
(Continued)

Schedules of Receipts and Expenditures – Regulatory Basis

Schedule 2-17:	Community Improvement District Fund	45
Schedule 2-18:	Special Street Machinery Fund	46
Schedule 2-19:	Electric Meter Deposit Fund	47
Schedule 2-20:	Electric Equipment Replacement Fund	48
Schedule 2-21:	Water Meter Deposit Fund	49
Schedule 2-22:	Water Equipment Replacement Fund I	50
Schedule 2-23:	Water Equipment Replacement Fund II	51
Schedule 2-24:	Sanitation Equipment Replacement Fund	52
Schedule 2-25:	Sewer System Reserve Fund I	53
Schedule 2-26:	Sewer, Streets and Water Improvements Fund	54
Schedule 2-27:	Sewer Improvements Fund	55

Schedule 3

Agency Funds – Summary of Receipts and Disbursements – Regulatory Basis	56
---	----

CITY OF HUGOTON, KANSAS

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Hugoton, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Hugoton, Kansas, as of and for the year ended December 31, 2015 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

To the City Council
City of Hugoton, Kansas

Page 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Hugoton, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Hugoton, Kansas as of December 31, 2015, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Hugoton, Kansas as of December 31, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*.

To the City Council
City of Hugoton, Kansas

Page 3

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 basic financial statement upon which we rendered an unmodified opinion dated June 16, 2016. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.

Hay•Rice & Associates, Chartered

June 16, 2016

CITY OF HUGOTON, KANSAS

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS

For the year ended December 31, 2015

<u>Funds</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Add</u> <u>Encumbrances</u> <u>& Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
General Funds:						
General	\$ 481,159	\$ 2,205,657	\$ 2,130,133	\$ 556,683	\$ 10,811	\$ 567,494
Special Purpose Funds:						
Special City Streets and Highways	58,187	104,476	129,457	33,206	-	33,206
Special Parks and Recreation	14,098	6,551	10,520	10,129	-	10,129
Gas Royalty	419,538	12,686	1,827	430,397	-	430,397
Convention and Tourism Promotion	32,514	9,727	14,472	27,769	-	27,769
Animal Care Benevolence	14,076	1,022	1,625	13,473	-	13,473
Golf Course Expansion	204,528	19,121	31,410	192,239	-	192,239
Shop With a Cop	2,359	1,956	2,685	1,630	-	1,630
Special Street Machinery	350,519	60,462	190,269	220,712	-	220,712
Streetscape Improvement	8,064	56	68	8,052	-	8,052
Community Improvement District	-	990	-	990	-	990
Debt Service Fund – Bond and Interest Fund	37,183	323,318	269,795	90,706	-	90,706
Capital Projects Funds:						
2014 Sewer Improvements	78,601	1,975,156	2,053,757	-	-	-
Business Funds – Enterprise Funds:						
Electric System:						
Operating Fund	1,762,439	5,009,741	4,830,755	1,941,425	249,814	2,191,239
Meter Deposit Fund	-	8,862	8,862	-	39,296	39,296
Equipment Replacement Fund	504,822	1,009	-	505,831	-	505,831
Electric Distribution Upgrade Fund	713,776	70,302	28,833	755,245	-	755,245
Water System:						
Operating Fund	712,744	713,405	693,246	732,903	3,328	736,231
Meter Deposit Fund	-	520	520	-	2,340	2,340
Equipment Replacement Fund I	143,246	284	-	143,530	-	143,530
Equipment Replacement Fund II	130,775	264	-	131,039	-	131,039
Water Improvement Reserve Fund	1,055,314	222,153	716,632	560,835	511,205	1,072,040
Sanitation System:						
Operating Fund	95,695	291,949	269,903	117,741	723	118,464
Equipment Replacement Fund	174,465	60,404	-	234,869	-	234,869
Sewer System:						
Operating Fund	575,377	826,591	373,503	1,028,465	310	1,028,775
Equipment Reserve Fund I	-	432,565	-	432,565	-	432,565
Total Reporting Entity (Excluding Agency Funds)	<u>\$7,569,479</u>	<u>\$12,359,227</u>	<u>\$11,758,272</u>	<u>\$8,170,434</u>	<u>\$817,827</u>	<u>\$8,988,261</u>

The notes to the financial statement are an integral part of this statement.

CITY OF HUGOTON, KANSAS

Statement 1
(Continued)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS

For the year ended December 31, 2015

Ending Cash Balance		<u>\$8,988,261</u>
Composition of Cash:		
Cash on hand with City Clerk	\$	300
Deposits in Local Depositories:		
Checking Accounts:		
Citizens State Bank – Operating account		182,019
Citizens State Bank – Petty cash		1,000
Certificates of Deposit – Citizens State Bank		<u>8,805,000</u>
Total Cash		\$8,988,319
Agency Funds per Schedule 3		<u>(58)</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$8,988,261</u>

The notes to the financial statement are an integral part of this statement.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 1: Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Hugoton is a municipal corporation governed by an elected six member council. This regulatory financial statement presents the City of Hugoton (the municipality). A related municipal entity is defined as an entity legally separate from the City, which has a significant dependence on, or relationship with, the City. Based on the criteria used to evaluate potential related municipal entities, it was determined that there were no related municipal entities to present with the municipality's financial statement.

Related Municipal Entities not Presented

The City Council is responsible for appointing the members of the Planning Commission. The Planning Commission has no budgetary or disbursing authority. Its function is solely to advise the City Council and, therefore, is a part of the municipality.

Jointly Governed Organizations

The City, in conjunction with each township in the county, has created the Hugoton Cemetery District. The Hugoton Cemetery District's board consists of one representative from each of the participating entities.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year of 2015:

Governmental Funds:

General Fund – The Chief Operating Fund – used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Funds – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Funds – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Funds:

Enterprise Funds – to account for operations that are financed and operated in a manner similar to private business enterprises – where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges – or where periodic determination of revenue earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds:

Agency Funds – used to report assets held by the municipal reporting entity in a purely custodial capacity.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Other Accounting Policies

Cash and Time Deposits

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate. Deposits are carried at cost.

In accordance with K.S.A. 9-1402 and K.S.A. 12-1675, the City of Hugoton, Kansas, deposited and/or invested all funds with the Citizens State Bank or the First National Bank of Hugoton, Kansas.

Special Assessments

Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund.

Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balance

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds:

Special Street Machinery Fund	Water Equipment Replacement Fund I
Electric Meter Deposit Fund	Water Equipment Replacement Fund II
Electric Equipment Replacement Fund	Sanitation Equipment Replacement Fund
Water Meter Deposit Fund	Sewer System Reserve Fund I

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payments.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by Stevens County.

Taxes levied to finance the budget are made available to the City of Hugoton, Kansas after the first of the year and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed annually.

Note 2: Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

Contrary to the provisions of KSA 10-1117 and KSA 79-2934, the City Clerk did not maintain a formal encumbrance record or an unencumbered budget balance record.

Fund Balances – Designated for Subsequent Year's Budget

Actual cash carryover was not sufficient for the following funds:

	<u>2015</u> <u>Unencumbered</u> <u>Cash Balance</u>	<u>2016 Budgeted</u> <u>Unencumbered</u> <u>Cash Carryover</u>
Animal Care Benevolence	\$ 13,473	\$ 15,270
Special Parks and Recreation	10,129	15,350
Streetscape Improvement	8,052	14,465
Convention and Tourism	27,769	32,375
Golf Course Expansion	192,238	204,525
Special Highway	33,206	56,195
Water Improvement Reserve	560,835	1,050,897

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 3: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City of Hugoton. The statute requires banks eligible to hold the City of Hugoton's funds have a main or branch bank in the county in which the City of Hugoton is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City of Hugoton has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City of Hugoton's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City of Hugoton has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – State statutes place no limit on the amount the City of Hugoton may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the City of Hugoton's deposits may not be returned to it. State statutes require the City of Hugoton's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2015.

At December 31, 2015, the City of Hugoton's carrying amount of deposits was \$8,988,319 and the bank balance was \$9,500,482. Of the bank balance, \$250,000 was covered by federal depository insurance and \$8,301,646 was collateralized with securities held by the pledging financial institution's agents in the City of Hugoton's name.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City of Hugoton will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 4: Capital Projects

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Sewer Improvements	<u>\$2,500,000</u>	<u>\$2,327,639</u>

Note 5: Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Sanitation System Fund	Sanitation Equipment Replacement Fund	KSA 12-1,117	\$ 60,000
Sewer System Fund	Bond & Interest Fund	KSA 12-825d	16,744
Water Fund	Bond & Interest Fund	KSA 12-825d	51,950
General Fund	Special Street Machinery Fund	KSA 12-1,117	60,000
Water Improvement Reserve Fund	Bond and Interest	KSA 12-825d	91,114
General Fund	Golf Course Expansion	KSA 12-1,118	18,695

Note 6: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The City of Hugoton, Kansas participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at www.kpers.org or by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 6: Defined Benefit Pension Plan (Continued)

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution rate for Death and Disability Program) and the statutory contribution rate was 9.48% for the fiscal year ended December 31, 2015. Contributions to the pension plan from the City of Hugoton were \$151,880 for the year ended December 31, 2015.

Net Pension Liability

At December 31, 2015, the City of Hugoton's proportionate share of the collective net pension liability reported by KPERS was \$1,235,653. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The City of Hugoton's proportion of the net pension liability was based on the ratio of City of Hugoton's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 7: Other Long-Term Obligations from Operations

Compensated Absences

Vacations

Vacations for full-time City employees shall be allowed as follows:

- a. All employees shall be allowed two weeks paid vacation, or ten working days, after completing one complete year's service with the City.
- b. Three weeks, or 15 days, paid vacation shall be allowed to each employee completing 10 full years of service with the City.
- c. Four weeks, or 20 days, paid vacation shall be allowed after completing 20 years of service with the City.
- d. All City employees entitled to vacations as provided in (a), (b), or (c) of this section shall be required to take their vacations within the calendar year. No employee shall be paid additionally for working during his/her vacation time. The superintendent of municipal utilities shall approve the vacation times of all City employees under his/her supervision and control. Vacation times for all other City employees shall be subject to the approval of the governing body.
- e. No vacation time shall be allowed to any employee whose employment is terminated for any reason between the first and second anniversary dates of employment. (Ord. 486, 1-504)

Sick Leave

- a. Each full-time employee shall be allowed three-fourths day sick leave for every month of continuous employment. Such sick leave shall be accumulative from year to year to a maximum of 90 days. Such accumulation shall not apply to probationary employees, as defined in section 1-503 until the six-months probationary period has expired, at which time such employee shall be credited with four and one-half days sick leave.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 7: Other Long-Term Obligations from Operations (Continued)

Compensated Absences (Continued)

Sick Leave (Continued)

- b. No sick leave exceeding two days shall be allowed unless, upon request, the employee furnishes to his/her immediate supervisor within 24 hours after he/she returns to work a written statement from a physician; certifying that his/her illness prevented the employee from working and that the employee is physically able to return to work.
- c. Any employee receiving sick leave time preceding and/or following any holiday or weekend may be required at the request of his/her supervisor, to furnish a written statement from a physician certifying that his/her sickness prevented the employee from working.
- d. An employee shall be required to take a complete physical examination and to furnish written report thereof to his/her immediate supervisor following any serious accident or serious illness.
- e. An employee who has exhausted all earned sick leave may, subject to authorization from his/her immediate supervisor, use any unused vacation time during an illness. (Ord. 486, 1-507)
- f. Upon the retirement or death of an employee, he/she or his/her estate shall be entitled to compensation for any unused sick leave time, computed on the basis of 100 percent from the anniversary date of his/her employment and not on the basis of the calendar year. (Ord. 486, 1-507). The potential liability at December 31, 2015 was \$381,073.

Uncompensated Absences

Absence from Work

All City employees who are employed on a daily or hourly basis shall not be paid for time lost or for being absent from work. (Ord. 486, 1-503)

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 7: Other Long-Term Obligations from Operations (Continued)

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City of Hugoton, Kansas allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City of Hugoton, Kansas is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City of Hugoton, Kansas makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Note 8: Subsequent Events

The City of Hugoton's management has evaluated events and transactions through June 16, 2016, the date which the financial statement was available to be issued.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 9: Long-Term Debt

Changes in long-term liabilities for the City for the year ended December 31, 2015 were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:									
Series 08	3.20-4.00%	09/22/08	\$ 425,000	10/01/18	\$ 190,000	\$ -	\$ 45,000	\$ 145,000	\$ 6,950
Series 11	.95-2.95%	08/01/11	1,265,000	10/01/21	945,000	-	120,000	825,000	23,070
Series 14	2.00-2.65%	09/22/14	690,000	10/01/24	690,000	-	60,000	630,000	14,775
Series 15	2.00-3.00%	04/01/15	1,975,000	10/01/25	-	1,975,000	-	1,975,000	-
Temporary General Obligation Bonds:									
Series A 2013	0.80%	01/30/13	782,000	01/15/14	-	-	-	-	-
Series B 2013	1.00%	10/24/13	2,000,000	11/01/14	-	-	-	-	-
Series A 2014	0.75%	01/06/14	770,000	09/22/14	-	-	-	-	-
Series B 2014	1.00%	10/29/14	2,025,000	10/29/15	2,025,000	-	2,025,000	-	8,663
Kansas Department of Health & Environment	2.68%	05/25/05	2,955,000	09/01/26	993,612	-	71,222	922,390	26,155
Capital Leases Payable:									
City Hall	3.50%	01/26/04	182,500	04/01/14	-	-	-	-	-
Mower	3.50%	05/13/11	24,000	05/14/14	-	-	-	-	-
Shed	4.25%	06/29/11	53,000	06/29/21	<u>36,924</u>	<u>-</u>	<u>5,045</u>	<u>31,879</u>	<u>1,516</u>
Total Contractual Indebtedness					<u>\$4,880,536</u>	<u>\$1,975,000</u>	<u>\$2,326,267</u>	<u>\$4,529,269</u>	<u>\$ 81,129</u>

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 9: Long-Term Debt (Continued)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021-2025</u>	<u>2026-2030</u>	<u>Total</u>
Principal:								
General obligation bonds	\$365,000	\$420,000	\$430,000	\$400,000	\$410,000	\$1,550,000	\$ -	\$3,575,000
Capital leases payable	5,262	5,488	5,723	5,969	6,225	3,212	-	31,879
KDHE loans	<u>73,143</u>	<u>75,117</u>	<u>77,143</u>	<u>79,225</u>	<u>81,362</u>	<u>440,946</u>	<u>95,454</u>	<u>922,390</u>
Total principal	<u>\$443,405</u>	<u>\$500,605</u>	<u>\$512,866</u>	<u>\$485,194</u>	<u>\$497,587</u>	<u>\$1,994,158</u>	<u>\$ 95,454</u>	<u>\$4,529,269</u>
Interest:								
General obligation bonds	\$115,520	\$ 81,365	\$ 70,475	\$ 59,082	\$ 50,242	\$ 95,153	\$ -	\$ 471,837
Capital leases payable	1,299	1,073	838	592	336	69	-	4,207
KDHE loans	<u>24,233</u>	<u>22,260</u>	<u>20,233</u>	<u>18,152</u>	<u>16,015</u>	<u>45,937</u>	<u>1,923</u>	<u>148,753</u>
Total interest	<u>\$141,052</u>	<u>\$104,698</u>	<u>\$ 91,546</u>	<u>\$ 77,826</u>	<u>\$ 66,593</u>	<u>\$ 141,159</u>	<u>\$ 1,923</u>	<u>\$ 624,797</u>
Total Principal and Interest	<u>\$584,457</u>	<u>\$605,303</u>	<u>\$604,412</u>	<u>\$563,020</u>	<u>\$564,180</u>	<u>\$2,135,317</u>	<u>\$ 97,377</u>	<u>\$5,154,066</u>

CITY OF HUGOTON, KANSAS

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF HUGOTON, KANSAS

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended December 31, 2015

<u>Funds</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General Funds:			
General	\$2,365,645	\$2,130,133	\$ (235,512)
Special Purpose Funds:			
Special City Streets and Highways	157,350	129,457	(27,893)
Special Parks and Recreation	22,660	10,520	(12,140)
Gas Royalty	430,000	1,827	(428,173)
Convention and Tourism Promotion	46,000	14,472	(31,528)
Animal Care Benevolence	20,300	1,625	(18,675)
Golf Course Expansion	223,700	31,410	(192,290)
Shop With a Cop	6,000	2,685	(3,315)
Streetscape Improvement	14,500	68	(14,432)
Debt Service Fund:			
Bond and Interest Fund	288,000	269,795	(18,205)
Business Funds:			
Enterprise Funds:			
Electric System:			
Operating Fund	6,350,000	4,830,755	(1,519,245)
Electric Distribution Upgrade Fund	900,000	28,833	(871,167)
Water System:			
Operating Fund	1,200,000	693,246	(506,754)
Water Improvement Fund	1,270,500	716,632	(553,868)
Sanitation System:			
Operating Fund	330,000	269,903	(60,097)
Sewer System:			
Operating Fund	795,000	373,503	(421,497)

CITY OF HUGOTON, KANSAS

Schedule 2

SCHEDULES OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

CITY OF HUGOTON, KANSAS

Schedule 2-1

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Taxes and Shared Receipts:				
Ad valorem property tax	\$ 790,875	\$ 795,645	\$ (4,770)	\$ 749,803
Delinquent tax	15,849	3,576	12,273	9,509
Motor vehicle tax	151,441	154,747	(3,306)	149,366
16/20 vehicle tax	5,741	9,595	(3,854)	8,791
Recreational vehicle tax	2,278	3,030	(752)	2,653
Local sales tax	720,289	700,000	20,289	790,962
Franchise tax	<u>75,005</u>	<u>75,000</u>	<u>5</u>	<u>83,449</u>
Total taxes	<u>\$1,761,478</u>	<u>\$1,741,593</u>	<u>\$ 19,885</u>	<u>\$1,794,533</u>
Intergovernmental Revenue:				
Local alcoholic liquor	\$ 6,521	\$ 7,284	\$ (763)	\$ 7,517
Compensating use tax	<u>233,367</u>	<u>100,000</u>	<u>133,367</u>	<u>165,528</u>
Total intergovernmental	<u>\$ 239,888</u>	<u>\$ 107,284</u>	<u>\$132,604</u>	<u>\$ 173,045</u>
Licenses, Permits, and Fees:				
Licenses	\$ 5,645	\$ 4,850	\$ 795	\$ 5,910
Occupational licenses	1,200	875	325	825
Permits	2,249	1,750	499	3,811
Dog licenses & pound fees	<u>1,017</u>	<u>1,400</u>	<u>(383)</u>	<u>1,669</u>
Total licenses, permits & fees	<u>\$ 10,111</u>	<u>\$ 8,875</u>	<u>\$ 1,236</u>	<u>\$ 12,215</u>
Use of Money and Property:				
Interest on time deposits	\$ 1,532	\$ 1,500	\$ 32	\$ 1,334
Rentals and leases	8,256	8,255	1	8,016
Sale of property	<u>1,293</u>	<u>3,000</u>	<u>(1,707)</u>	<u>1,375</u>
Total use of money & property	<u>\$ 11,081</u>	<u>\$ 12,755</u>	<u>\$ (1,674)</u>	<u>\$ 10,725</u>
Other:				
Charges for services	\$ 1,250	\$ 3,400	\$ (2,150)	\$ 4,257
Fines, forfeitures, and penalties	31,990	22,000	9,990	25,938
Golf course income	114,537	114,000	537	123,645
Miscellaneous	<u>35,322</u>	<u>15,400</u>	<u>19,922</u>	<u>54,438</u>
Total other	<u>\$ 183,099</u>	<u>\$ 154,800</u>	<u>\$ 28,299</u>	<u>\$ 208,278</u>
Total Receipts	<u>\$2,205,657</u>	<u>\$2,025,307</u>	<u>\$180,350</u>	<u>\$2,198,796</u>

CITY OF HUGOTON, KANSAS

Schedule 2-1
(Continued)

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Expenditures</u>				
General Government – Administration:				
Personal services	\$ 232,819	\$ 232,750	\$ 69	\$ 220,643
Contractual services	89,756	98,090	(8,334)	90,779
Commodities	6,542	9,500	(2,958)	5,769
Capital outlay	-	28,660	(28,660)	-
Debt service	-	-	-	2,412
Totals	<u>\$ 329,117</u>	<u>\$ 369,000</u>	<u>\$ (39,883)</u>	<u>\$ 319,603</u>
Election Expense:				
Contractual services	-	\$ 1,000	\$ (1,000)	-
Municipal Court:				
Personal services	\$ 17,745	\$ 21,895	\$ (4,150)	\$ 20,438
Contractual services	35,210	34,300	910	34,120
Commodities	480	800	(320)	508
Capital outlay	-	3,005	(3,005)	-
Totals	<u>\$ 53,435</u>	<u>\$ 60,000</u>	<u>\$ (6,565)</u>	<u>\$ 55,066</u>
Public Safety – Police:				
Personal services	\$ 514,234	\$ 578,330	\$ (64,096)	\$ 481,626
Contractual services	112,438	109,805	2,633	102,169
Commodities	26,515	43,500	(16,985)	30,743
Capital outlay	10,058	33,365	(23,307)	2,559
Totals	<u>\$ 663,245</u>	<u>\$ 765,000</u>	<u>\$ (101,755)</u>	<u>\$ 617,097</u>
Public Works – Streets and Alleys:				
Personal services	\$ 296,617	\$ 306,765	\$ (10,148)	\$ 273,726
Contractual services	78,933	137,420	(58,487)	84,674
Commodities	109,401	145,500	(36,099)	152,806
Capital outlay	3,724	37,005	(33,281)	11,137
Operating transfers	-	58,310	(58,310)	65,887
Totals	<u>\$ 488,675</u>	<u>\$ 685,000</u>	<u>\$ (196,325)</u>	<u>\$ 588,230</u>

CITY OF HUGOTON, KANSAS

Schedule 2-1
(Continued)

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Expenditures</u> (Continued)				
Culture & Recreation – Parks:				
Personal services	\$ 88,840	\$ 87,115	\$ 1,725	\$ 91,663
Contractual services	24,913	21,030	3,883	15,070
Commodities	24,123	18,000	6,123	20,949
Capital outlay	<u>19,822</u>	<u>19,500</u>	<u>322</u>	<u>7,746</u>
Totals	<u>\$ 157,698</u>	<u>\$ 145,645</u>	<u>\$ 12,053</u>	<u>\$ 135,428</u>
Economic Development:				
Contractual services	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>-</u>	<u>\$ 20,000</u>
Golf Course:				
Personal services	\$ 199,353	\$ 200,360	\$ (1,007)	\$ 197,410
Contractual services	57,081	46,915	10,166	40,906
Commodities	36,242	43,000	(6,758)	41,777
Capital outlay	40,031	4,465	35,566	21,067
Debt service	6,561	6,565	(4)	15,119
Operating transfers	<u>-</u>	<u>18,695</u>	<u>(18,695)</u>	<u>18,695</u>
Totals	<u>\$ 339,268</u>	<u>\$ 320,000</u>	<u>\$ 19,268</u>	<u>\$ 334,974</u>
Operating transfer	<u>\$ 78,695</u>	<u>-</u>	<u>\$ 78,695</u>	<u>-</u>
Total Expenditures	<u>\$2,130,133</u>	<u>\$2,365,645</u>	<u>\$ (235,512)</u>	<u>\$2,070,398</u>
Receipts Over (Under) Expenditures	\$ 75,524			\$ 128,398
Unencumbered Cash, Beginning	<u>481,159</u>			<u>352,761</u>
Unencumbered Cash, Ending	<u>\$ 556,683</u>			<u>\$ 481,159</u>

CITY OF HUGOTON, KANSAS

Schedule 2-2

SPECIAL CITY STREETS AND HIGHWAYS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Intergovernmental:				
Gasoline tax	\$104,350	\$100,990	\$ 3,360	\$102,336
Use of Money and Property:				
Interest on time deposits	<u>126</u>	<u>165</u>	<u>(39)</u>	<u>113</u>
Total Receipts	<u>\$104,476</u>	<u>\$101,155</u>	<u>\$ 3,321</u>	<u>\$102,449</u>
<u>Expenditures</u>				
Public Works:				
Personal services	\$ -	\$ 1,250	\$ (1,250)	\$ 1,429
Contractual services	129,457	156,100	(26,643)	-
Commodities	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,234</u>
Total Expenditures	<u>\$129,457</u>	<u>\$157,350</u>	<u>\$ (27,893)</u>	<u>\$ 94,663</u>
Receipts Over (Under) Expenditures	\$ (24,981)			\$ 7,786
Unencumbered Cash, Beginning	<u>58,187</u>			<u>50,401</u>
Unencumbered Cash, Ending	<u>\$ 33,206</u>			<u>\$ 58,187</u>

CITY OF HUGOTON, KANSAS

Schedule 2-3

SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Intergovernmental:				
Liquor tax	\$ 6,521	\$ 7,284	\$ (763)	\$ 7,517
Use of Money and Property:				
Interest on time deposits	<u>30</u>	<u>26</u>	<u>4</u>	<u>21</u>
Total Receipts	<u>\$ 6,551</u>	<u>\$ 7,310</u>	<u>\$ (759)</u>	<u>\$ 7,538</u>
<u>Expenditures</u>				
Culture and Recreation:				
Personal services	\$ 1,399	\$ 2,500	\$ (1,101)	\$ 1,570
Contractual services	-	1,000	(1,000)	-
Commodities	72	-	72	-
Capital outlay	<u>9,049</u>	<u>19,160</u>	<u>(10,111)</u>	<u>-</u>
Total Expenditures	<u>\$ 10,520</u>	<u>\$ 22,660</u>	<u>\$ (12,140)</u>	<u>\$ 1,570</u>
Receipts Over (Under) Expenditures	\$ (3,969)			\$ 5,968
Unencumbered Cash, Beginning	<u>14,098</u>			<u>8,130</u>
Unencumbered Cash, Ending	<u>\$ 10,129</u>			<u>\$ 14,098</u>

CITY OF HUGOTON, KANSAS

Schedule 2-4

GAS ROYALTY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Royalty income and gas sales	\$ 11,836	\$ 11,950	\$ (114)	\$ 21,225
Interest on time deposits	<u>850</u>	<u>1,000</u>	<u>(150)</u>	<u>863</u>
Total Receipts	<u>\$ 12,686</u>	<u>\$ 12,950</u>	<u>\$ (264)</u>	<u>\$ 22,088</u>
<u>Expenditures</u>				
Public Works:				
Contractual services	\$ 1,827	\$ 25,000	\$ (23,173)	\$ 4,723
Commodities	-	5,000	(5,000)	2,222
Capital outlay	<u>-</u>	<u>400,000</u>	<u>(400,000)</u>	<u>-</u>
Total Expenditures	<u>\$ 1,827</u>	<u>\$430,000</u>	<u>\$ (428,173)</u>	<u>\$ 6,945</u>
Receipts Over (Under) Expenditures	\$ 10,859			\$ 15,143
Unencumbered Cash, Beginning	<u>419,538</u>			<u>404,395</u>
Unencumbered Cash, Ending	<u>\$430,397</u>			<u>\$419,538</u>

CITY OF HUGOTON, KANSAS

Schedule 2-5

CONVENTION AND TOURISM PROMOTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
 For the year ended December 31, 2015
 (with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 61	\$ 80	\$ (19)	\$ 66
Transient guest tax	<u>9,666</u>	<u>13,545</u>	<u>(3,879)</u>	<u>13,046</u>
Total Receipts	<u>\$ 9,727</u>	<u>\$ 13,625</u>	<u>\$ (3,898)</u>	<u>\$ 13,112</u>
<u>Expenditures</u>				
Contractual services	\$ 13,852	\$ 44,500	\$ (30,648)	\$ 9,293
Commodities	<u>620</u>	<u>1,500</u>	<u>(880)</u>	<u>181</u>
Total Expenditures	<u>\$ 14,472</u>	<u>\$ 46,000</u>	<u>\$ (31,528)</u>	<u>\$ 9,474</u>
Receipts Over (Under) Expenditures	<u>\$ (4,745)</u>			<u>\$ 3,638</u>
Unencumbered Cash, Beginning	<u>32,514</u>			<u>28,876</u>
Unencumbered Cash, Ending	<u>\$ 27,769</u>			<u>\$ 32,514</u>

CITY OF HUGOTON, KANSAS

Schedule 2-6

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Taxes and Shared Receipts:				
Ad valorem property tax	\$126,815	\$ 18,286	\$108,529	\$ 34,947
Delinquent tax	-	-	-	20
Motor vehicle tax	-	7,367	(7,367)	-
Recreational vehicle tax	-	144	(144)	-
Use of Money and Property:				
Interest on time deposits	227	35	192	65
Other Receipts:				
Special assessments	-	64,800	(64,800)	-
Miscellaneous	36,468	-	36,468	-
Operating transfers	<u>159,808</u>	<u>169,268</u>	<u>(9,460)</u>	<u>175,782</u>
Total Receipts	<u>\$323,318</u>	<u>\$259,900</u>	<u>\$ 63,418</u>	<u>\$210,814</u>
<u>Expenditures</u>				
Principal	\$225,000	\$235,000	\$ (10,000)	\$160,000
Interest	44,795	50,270	(5,475)	33,242
Commission	<u>-</u>	<u>2,730</u>	<u>(2,730)</u>	<u>-</u>
Total Expenditures	<u>\$269,795</u>	<u>\$288,000</u>	<u>\$ (18,205)</u>	<u>\$193,242</u>
Receipts Over (Under) Expenditures	\$ 53,523			\$ 17,572
Unencumbered Cash, Beginning	<u>37,183</u>			<u>19,611</u>
Unencumbered Cash, Ending	<u>\$ 90,706</u>			<u>\$ 37,183</u>

CITY OF HUGOTON, KANSAS

Schedule 2-7

ELECTRIC SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
<u>Receipts</u>			<u>(Under)</u>	<u>Actual</u>
Sales to customers	\$4,809,621	\$4,801,852	\$ 7,769	\$4,871,812
Penalties	42,734	43,000	(266)	42,111
Other Receipts:				
Merchandise	3,291	2,500	791	711
Inspections/Permits	319	300	19	475
Gas sales	80,292	150,000	(69,708)	133,563
Reimbursed expenses	54,299	-	54,299	15,721
Miscellaneous	14,835	19,950	(5,115)	15,087
Use of Money and Property:				
Interest on time deposits	4,350	4,500	(150)	4,174
Rentals	-	250	(250)	-
Total Receipts	<u>\$5,009,741</u>	<u>\$5,022,352</u>	<u>\$ (12,611)</u>	<u>\$5,083,654</u>
<u>Expenditures</u>				
Production Expense:				
Personal services	\$ 345,347	\$ 372,680	\$ (27,333)	\$ 342,055
Contractual services	3,459,463	4,313,230	(853,767)	3,474,617
Commodities	48,716	100,250	(51,534)	65,681
Capital outlay	69,172	50,000	19,172	3,096
Distribution Expense:				
Personal services	284,992	309,780	(24,788)	255,595
Contractual services	29,587	32,500	(2,913)	27,358
Commodities	124,232	371,000	(246,768)	160,901
Capital outlay	2,691	50,000	(47,309)	35,161
Metering Expense:				
Personal services	7,498	-	7,498	15,775
Commodities	200	-	200	9,199

CITY OF HUGOTON, KANSAS

Schedule 2-7
(Continued)

ELECTRIC SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Expenditures</u> (Continued)				
General and Administrative:				
Personal services	147,410	149,025	(1,615)	136,087
Contractual services	304,360	319,475	(15,115)	300,763
Commodities	7,087	13,000	(5,913)	5,527
Capital outlay	-	10,000	(10,000)	898
Debt service	-	-	-	6,468
Operating transfers	-	259,060	(259,060)	-
Total Expenditures	<u>\$4,830,755</u>	<u>\$6,350,000</u>	<u>\$ (1,519,245)</u>	<u>\$4,839,181</u>
Receipts Over (Under) Expenditures	\$ 178,986			\$ 244,473
Unencumbered Cash, Beginning	<u>1,762,439</u>			<u>1,517,966</u>
Unencumbered Cash, Ending	<u>\$1,941,425</u>			<u>\$1,762,439</u>

CITY OF HUGOTON, KANSAS

Schedule 2-8

WATER SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Water sales to customers	\$673,118	\$ 731,570	\$ (58,452)	\$722,845
Other Receipts:				
Water dock	750	2,000	(1,250)	1,039
Tank water	12,526	11,000	1,526	13,891
Inspections	493	700	(207)	952
Water services	11,302	10,000	1,302	19,355
Sale of merchandise	1,220	1,000	220	3,091
Miscellaneous	12,580	1,100	11,480	10,648
Use of Money and Property:				
Interest on time deposits	1,416	1,800	(384)	1,457
Rentals	-	500	(500)	-
Total Receipts	<u>\$713,405</u>	<u>\$ 759,670</u>	<u>\$ (46,265)</u>	<u>\$773,278</u>
<u>Expenditures</u>				
Production Expense:				
Personal services	\$ 46	\$ 525	\$ (479)	\$ -
Contractual services	121,704	157,950	(36,246)	150,329
Commodities	6,310	15,000	(8,690)	26,901
Capital outlay	12,125	20,000	(7,875)	-
Distribution Expense:				
Personal services	163,849	145,470	18,379	141,085
Contractual services	21,168	34,500	(13,332)	23,675
Commodities	60,645	100,000	(39,355)	72,111
Capital outlay	4,739	50,000	(45,261)	1,301
Administrative and General Expense:				
Personal services	130,803	156,460	(25,657)	134,758
Contractual services	102,646	71,700	30,946	48,921
Commodities	5,088	9,200	(4,112)	6,414
Capital outlay	-	10,000	(10,000)	-

CITY OF HUGOTON, KANSAS

Schedule 2-8
(Continued)

WATER SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Expenditures</u> (Continued)				
Water Protection Fee	12,173	-	12,173	14,328
Debt service	-	-	-	1,096
Operating transfers	<u>51,950</u>	<u>429,195</u>	<u>(377,245)</u>	<u>53,390</u>
Total Expenditures	<u>\$693,246</u>	<u>\$1,200,000</u>	<u>\$ (506,754)</u>	<u>\$674,309</u>
Receipts Over (Under) Expenditures	\$ 20,159			\$ 98,969
Unencumbered Cash, Beginning	<u>712,744</u>			<u>613,775</u>
Unencumbered Cash, Ending	<u>\$732,903</u>			<u>\$712,744</u>

CITY OF HUGOTON, KANSAS

Schedule 2-9

SANITATION SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Sales to customers	\$290,955	\$255,101	\$ 35,854	\$258,288
Other Receipts:				
Miscellaneous	784	1,500	(716)	648
Use of Money and Property:				
Interest on time deposits	<u>210</u>	<u>200</u>	<u>10</u>	<u>179</u>
Total Receipts	<u>\$291,949</u>	<u>\$256,801</u>	<u>\$ 35,148</u>	<u>\$259,115</u>
<u>Expenditures</u>				
Collection and Disposal Expense:				
Personal services	\$ 83,847	\$ 89,415	\$ (5,568)	\$ 84,603
Contractual services	37,676	15,865	21,811	10,072
Commodities	44,995	86,500	(41,505)	35,801
Administrative and General Expense:				
Personal services	40,586	44,300	(3,714)	41,629
Contractual services	2,248	3,200	(952)	2,080
Commodities	551	750	(199)	-
Debt service	-	-	-	329
Operating transfers	<u>60,000</u>	<u>89,970</u>	<u>(29,970)</u>	<u>49,200</u>
Total Expenditures	<u>\$269,903</u>	<u>\$330,000</u>	<u>\$ (60,097)</u>	<u>\$223,714</u>
Receipts Over (Under) Expenditures	\$ 22,046			\$ 35,401
Unencumbered Cash, Beginning	<u>95,695</u>			<u>60,294</u>
Unencumbered Cash, Ending	<u>\$117,741</u>			<u>\$ 95,695</u>

CITY OF HUGOTON, KANSAS

Schedule 2-10

SEWER SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Sales to customers	\$ 350,158	\$652,761	\$ (302,603)	\$354,280
Other Receipts:				
Miscellaneous	474,752	6,600	468,152	332,021
Use of Money and Property:				
Interest on time deposits	1,681	500	1,181	687
Rentals	<u>-</u>	<u>-</u>	<u>-</u>	<u>885</u>
Total Receipts	<u>\$ 826,591</u>	<u>\$659,861</u>	<u>\$ 166,730</u>	<u>\$687,873</u>
<u>Expenditures</u>				
Collection and Disposal Expense:				
Personal services	\$ 75,820	\$ 74,320	\$ 1,500	\$ 69,363
Contractual services	35,801	45,800	(9,999)	29,350
Commodities	21,405	33,000	(11,595)	35,952
Capital outlay	46,426	50,000	(3,574)	28,200
Administrative and General Expense:				
Personal services	58,430	63,485	(5,055)	57,375
Contractual services	20,932	55,330	(34,398)	11,950
Commodities	568	1,500	(932)	-
Debt service	97,377	97,376	1	98,035
Operating transfers	<u>16,744</u>	<u>374,189</u>	<u>(357,445)</u>	<u>17,803</u>
Total Expenditures	<u>\$ 373,503</u>	<u>\$795,000</u>	<u>\$ (421,497)</u>	<u>\$348,028</u>
Receipts Over (Under) Expenditures	\$ 453,088			\$339,845
Unencumbered Cash, Beginning	<u>575,377</u>			<u>235,532</u>
Unencumbered Cash, Ending	<u>\$1,028,465</u>			<u>\$575,377</u>

CITY OF HUGOTON, KANSAS

Schedule 2-11

ANIMAL CARE BENEVOLENCE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 27	\$ 30	\$ (3)	\$ 25
Miscellaneous	<u>995</u>	<u>5,000</u>	<u>(4,005)</u>	<u>7,708</u>
Total Receipts	<u>\$ 1,022</u>	<u>\$ 5,030</u>	<u>\$ (4,008)</u>	<u>\$ 7,733</u>
<u>Expenditures</u>				
Contractual services	\$ 1,625	\$ 20,000	\$ (18,375)	\$ 2,841
Commodities	<u>-</u>	<u>300</u>	<u>(300)</u>	<u>-</u>
Total Expenditures	<u>\$ 1,625</u>	<u>\$ 20,300</u>	<u>\$ (18,675)</u>	<u>\$ 2,841</u>
Receipts Over (Under) Expenditures	\$ (603)			\$ 4,892
Unencumbered Cash, Beginning	<u>14,076</u>			<u>9,184</u>
Unencumbered Cash, Ending	<u>\$ 13,473</u>			<u>\$ 14,076</u>

CITY OF HUGOTON, KANSAS

Schedule 2-12

ELECTRIC DISTRIBUTION UPGRADE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Royalty income and gas sales	\$ 68,823	\$170,000	\$ (101,177)	\$195,921
Interest on time deposits	<u>1,479</u>	<u>1,590</u>	<u>(111)</u>	<u>1,806</u>
Total Receipts	<u>\$ 70,302</u>	<u>\$171,590</u>	<u>\$ (101,288)</u>	<u>\$197,727</u>
<u>Expenditures</u>				
Commodities	\$ -	\$150,000	\$ (150,000)	\$ -
Capital outlay	<u>28,833</u>	<u>750,000</u>	<u>(721,167)</u>	<u>259,497</u>
Total Expenditures	<u>\$ 28,833</u>	<u>\$900,000</u>	<u>\$ (871,167)</u>	<u>\$259,497</u>
Receipts Over (Under) Expenditures	\$ 41,469			\$ (61,770)
Unencumbered Cash, Beginning	<u>713,776</u>			<u>775,546</u>
Unencumbered Cash, Ending	<u>\$755,245</u>			<u>\$713,776</u>

CITY OF HUGOTON, KANSAS

Schedule 2-13

GOLF COURSE EXPANSION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 426	\$ 480	\$ (54)	\$ 406
Operating transfers	<u>18,695</u>	<u>18,695</u>	<u>-</u>	<u>18,695</u>
Total Receipts	<u>\$ 19,121</u>	<u>\$ 19,175</u>	<u>\$ (54)</u>	<u>\$ 19,101</u>
<u>Expenditures</u>				
Contractual services	\$ -	\$ 13,700	\$ (13,700)	-
Capital outlay	<u>31,410</u>	<u>210,000</u>	<u>(178,590)</u>	<u>-</u>
Total Expenditures	<u>\$ 31,410</u>	<u>\$223,700</u>	<u>\$ (192,290)</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ (12,289)			\$ 19,101
Unencumbered Cash, Beginning	<u>204,528</u>			<u>185,427</u>
Unencumbered Cash, Ending	<u>\$192,239</u>			<u>\$204,528</u>

CITY OF HUGOTON, KANSAS

Schedule 2-14

SHOP WITH A COP FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015
 (with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 6	\$ -	\$ 6	\$ 3
Miscellaneous	<u>1,950</u>	<u>4,765</u>	<u>(2,815)</u>	<u>3,700</u>
Total Receipts	\$ <u>1,956</u>	\$ <u>4,765</u>	\$ <u>(2,809)</u>	\$ <u>3,703</u>
<u>Expenditures</u>				
Contractual services	\$ 179	\$ 1,000	\$ (821)	\$ 170
Commodities	<u>2,506</u>	<u>5,000</u>	<u>(2,494)</u>	<u>2,308</u>
Total Expenditures	\$ <u>2,685</u>	\$ <u>6,000</u>	\$ <u>(3,315)</u>	\$ <u>2,478</u>
Receipts Over (Under) Expenditures	\$ (729)			\$ 1,225
Unencumbered Cash, Beginning	<u>2,359</u>			<u>1,134</u>
Unencumbered Cash, Ending	\$ <u>1,630</u>			\$ <u>2,359</u>

CITY OF HUGOTON, KANSAS

Schedule 2-15

STREETSCAPE IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ <u>56</u>	\$ <u>35</u>	\$ <u>21</u>	\$ <u>27</u>
<u>Expenditures</u>				
Contractual services	\$ -	\$ 1,000	\$ (1,000)	\$ 6,953
Commodities	<u>68</u>	<u>13,500</u>	<u>(13,432)</u>	<u>94</u>
Total Expenditures	\$ <u>68</u>	\$ <u>14,500</u>	\$ <u>(14,432)</u>	\$ <u>7,047</u>
Receipts Over (Under) Expenditures	\$ (12)			\$ (7,020)
Unencumbered Cash, Beginning	<u>8,064</u>			<u>15,084</u>
Unencumbered Cash, Ending	\$ <u>8,052</u>			\$ <u>8,064</u>

CITY OF HUGOTON, KANSAS

Schedule 2-16

WATER IMPROVEMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Collections from utility bills	\$ 219,907	\$ 217,103	\$ 2,804	\$ 222,209
Miscellaneous	-	140	(140)	-
Use of Money and Property:				
Interest on time deposits	<u>2,246</u>	<u>2,360</u>	<u>(114)</u>	<u>2,112</u>
Total Receipts	<u>\$ 222,153</u>	<u>\$ 219,603</u>	<u>\$ 2,550</u>	<u>\$ 224,321</u>
<u>Expenditures</u>				
Contractual services	\$ 10	\$ 150	\$ (140)	\$ 30
Capital outlay	625,508	1,171,245	(545,737)	-
Operating transfers	<u>91,114</u>	<u>99,105</u>	<u>(7,991)</u>	<u>96,876</u>
Total Expenditures	<u>\$ 716,632</u>	<u>\$1,270,500</u>	<u>\$ (553,868)</u>	<u>\$ 96,906</u>
Receipts Over (Under) Expenditures	\$ (494,479)			\$ 127,415
Unencumbered Cash, Beginning	<u>1,055,314</u>			<u>927,899</u>
Unencumbered Cash, Ending	<u>\$ 560,835</u>			<u>\$1,055,314</u>

CITY OF HUGOTON, KANSAS

Schedule 2
(Continued)

SCHEDULES OF RECEIPTS AND EXPENDITURES

REGULATORY BASIS

For the year ended December 31, 2015

CITY OF HUGOTON, KANSAS

Schedule 2-17

COMMUNITY IMPROVEMENT DISTRICT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Taxes and Shared Receipts:		
CID tax	\$ 990	-
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 990	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 990</u>	<u>-</u>

CITY OF HUGOTON, KANSAS

Schedule 2-18

SPECIAL STREET MACHINERY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 462	\$ 652
Operating transfers	<u>60,000</u>	<u>65,887</u>
Total Receipts	\$ 60,462	\$ 66,539
<u>Expenditures</u>		
Capital outlay	<u>190,269</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ (129,807)	\$ 66,539
Unencumbered Cash, Beginning	<u>350,519</u>	<u>283,980</u>
Unencumbered Cash, Ending	\$ <u>220,712</u>	\$ <u>350,519</u>

CITY OF HUGOTON, KANSAS

Schedule 2-19

ELECTRIC METER DEPOSIT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Customer deposits received	\$ 8,862	\$ 400
<u>Expenditures</u>		
Customer deposits returned, forfeited or forfeitable	<u>8,862</u>	<u>400</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

CITY OF HUGOTON, KANSAS

Schedule 2-20

ELECTRIC EQUIPMENT REPLACEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 1,009	\$ 1,055
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 1,009	\$ 1,055
Unencumbered Cash, Beginning	<u>504,822</u>	<u>503,767</u>
Unencumbered Cash, Ending	<u>\$505,831</u>	<u>\$504,822</u>

CITY OF HUGOTON, KANSAS

Schedule 2-21

WATER METER DEPOSIT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Customer deposits received	\$ 520	\$ 20
<u>Expenditures</u>		
Customer deposits returned, forfeited or forfeitable	<u>520</u>	<u>20</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

CITY OF HUGOTON, KANSAS

Schedule 2-22

WATER EQUIPMENT REPLACEMENT FUND I
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 284	\$ 300
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 284	\$ 300
Unencumbered Cash, Beginning	<u>143,246</u>	<u>142,946</u>
Unencumbered Cash, Ending	<u>\$143,530</u>	<u>\$143,246</u>

CITY OF HUGOTON, KANSAS

Schedule 2-23

WATER EQUIPMENT REPLACEMENT FUND II
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 264	\$ 273
<u>Expenditures</u>	<u> -</u>	<u> -</u>
Receipts Over (Under) Expenditures	\$ 264	\$ 273
Unencumbered Cash, Beginning	<u>130,775</u>	<u>130,502</u>
Unencumbered Cash, Ending	<u>\$131,039</u>	<u>\$130,775</u>

CITY OF HUGOTON, KANSAS

Schedule 2-24

SANITATION EQUIPMENT REPLACEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 404	\$ 313
Operating transfers	<u>60,000</u>	<u>49,200</u>
Total Receipts	\$ 60,404	\$ 49,513
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 60,404	\$ 49,513
Unencumbered Cash, Beginning	<u>174,465</u>	<u>124,952</u>
Unencumbered Cash, Ending	<u>\$234,869</u>	<u>\$174,465</u>

CITY OF HUGOTON, KANSAS

Schedule 2-25

SEWER SYSTEM RESERVE FUND I
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 231	-
Miscellaneous	<u>432,334</u>	<u>-</u>
Total Receipts	\$432,565	-
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$432,565	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$432,565</u>	<u>-</u>

CITY OF HUGOTON, KANSAS

Schedule 2-26

SEWER, STREETS AND WATER IMPROVEMENTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	-	\$ 522
Financing proceeds	-	1,464,830
Miscellaneous	-	87,886
	<u>-</u>	<u>1,553,238</u>
Total Receipts	<u>-</u>	<u>\$1,553,238</u>
<u>Expenditures</u>		
Contractual services	-	\$ 94,223
Debt service	-	1,562,327
Operating transfers	-	7,713
	<u>-</u>	<u>1,664,263</u>
Total Expenditures	<u>-</u>	<u>\$1,664,263</u>
Receipts Over (Under) Expenditures	-	\$ (111,025)
Unencumbered Cash, Beginning	<u>-</u>	<u>111,025</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

CITY OF HUGOTON, KANSAS

Schedule 2-27

SEWER IMPROVEMENTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 60	\$ 1,448
Miscellaneous	96	-
Financing proceeds	<u>1,975,000</u>	<u>2,025,000</u>
Total Receipts	<u>\$1,975,156</u>	<u>\$ 2,026,448</u>
<u>Expenditures</u>		
Contractual services	\$ 78,758	\$ 1,588,284
Debt service	<u>1,974,999</u>	<u>2,020,390</u>
Total Expenditures	<u>\$2,053,757</u>	<u>\$ 3,608,674</u>
Receipts Over (Under) Expenditures	\$ (78,601)	\$ (1,582,226)
Unencumbered Cash, Beginning	<u> 78,601</u>	<u> 1,660,827</u>
Unencumbered Cash, Ending	<u> -</u>	<u> \$ 78,601</u>

CITY OF HUGOTON, KANSAS

Schedule 3

AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the year ended December 31, 2015

<u>Funds</u>	<u>Beginning</u> <u>Cash</u> <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Payroll Clearing Fund	\$ -	\$320,409	\$320,409	\$ -
Sales Tax Fund	<u>58</u>	<u>2,552</u>	<u>2,552</u>	<u>58</u>
Total	\$ <u>58</u>	<u>\$322,961</u>	<u>\$322,961</u>	\$ <u>58</u>

